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v. *Chipman*, 8 Vt. 334; see *Hallgarten v. Oldham*, 135 Mass. 1, 9. It is submitted that the fact that the third person holds under a prior mortgage should not alter the result. See *Wheeler v. Nichols*, 32 Me. 233. The opinion in the principal case proceeds on the theory that the statute has the further aim of making the change of possession to the mortgagee notice of the specific claim under which possession was taken. But this view goes too far, since it would invalidate even a second unrecorded mortgage to the prior mortgagee in possession. The extent of the incumbrance can be discovered in the principal case as easily as in any case where the goods are in the hands of third parties, who hold for the mortgagees.

COMPOSITION WITH CREDITORS — RESERVATION OF MORAL OBLIGATION — VALIDITY OF SUBSEQUENT PROMISE AFTER COMPOSITION. — The defendant executed a composition with his creditors and reserved a secret moral obligation to pay the plaintiff in full, later making a promise to that effect. The plaintiff sues on the subsequent promise. *Held*, that the later promise is supported by consideration. *Straus v. Cunningham*, 144 N. Y. Supp. 1014 (App. Div.).

An agreement with two or more creditors for part payment in complete satisfaction of debts, validly discharges the old liabilities, substituting the new agreement. *Warren v. Whitney*, 24 Me. 561. Therefore a subsequent promise to pay the balance of the old debt is unenforceable, unless supported by present consideration. *Stafford v. Bacon*, 1 Hill (N. Y.) 533. Recovery is permitted in the principal case, however, on the ground that the moral obligation to pay debts in full is consideration for the new promise; that although the moral obligation, as in the above cases, does not ordinarily survive a voluntary discharge, it is preserved here by the express reservation. *Taylor v. Hotchkiss*, 81 N. Y. App. Div. 470, 80 N. Y. Supp. 1042. After a discharge in bankruptcy, even though the debt is extinguished, a promise to pay the original debt is binding. *Bridgman v. Christie*, 51 N. J. Eq. 331, 25 Atl. 939. Although variously explained, this exception would seem to rest on the ground that there is a public policy in holding the debtor to a reassumed liability, since he has obtained an involuntary discharge through operation of law. There would seem to be an equally strong policy in the case of composition agreements, for the creditors' consent is in effect coerced by their natural desire to escape a general struggle to appropriate the debtor's assets. The court, in distinguishing the present case on the ground that there was an express reservation, shows a tendency to reach this result and avoid the authority of the composition cases.

CONFLICT OF LAWS — RIGHTS AND OBLIGATIONS OF FOREIGN CORPORATIONS — ENFORCEMENT OF INDIVIDUAL LIABILITY OF CORPORATORS. — The defendant, a citizen of New York, agreed to subscribe to stock in a corporation which was to do business in California. The corporation was formed under the Arizona law, its charter expressly exempting the stockholders from personal liability. The charter provided for the carrying on of business in California. The corporation then contracted debts in California, where, by statute, shareholders in foreign corporations were made personally liable. The plaintiff, a California creditor, now sues the defendant stockholder in the federal courts of New York. *Held*, that the defendant is personally liable. *Thomas v. Matthiessen*, 34 Sup. Ct. 312.

For a discussion of the principles involved in the case, see NOTES, p. 575.

CONSTITUTIONAL LAW — DUE PROCESS OF LAW — TAKING PROPERTY OR REGULATING ITS USE FOR PUBLIC ESTHETICS. — A city ordinance prohibited the building of retail stores in residential sections without consent of a majority of the frontage owners. *Held*, that the statute is unconstitutional. *People v. Chicago*, 103 N. E. 609 (Ill.).